The 'Near North': Issues of Empire, Emerging Independence and Regionalism in Australian Foreign and Defence Policy, 1921-1937

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Abstract

The interwar period represents an era of emerging growth and maturity in Australian foreign and defence relations, with a distinct focus shift from Imperial to regional matters. However, this expression of independent policy has been largely overlooked in the existing literature. Rather, Australian policy makers of this era have been framed as disinterested in policy making, lacking direction and preferring 'to deal with the world one step removed through Whitehall'. Such interpretations have overlooked significant policy changes throughout this period, painting Australia as a timid and naïve nation, content to follow Britain's every policy and demand.

This article will challenge such views, drawing upon a recent growth in literature that supports the notion of growing assertiveness in Australian foreign and defence policy throughout the 1920s and 1930s. In doing so, this article will seek to redefine the interwar image of Australia. This will be achieved through an examination of Australia's response to the increasingly doubtful diplomatic and security assurances it received from Britain throughout the 1920s and 1930s. The uncertainty that this created forced Australian policy makers to assess their previously unchallenged commitment to the British

Empire and to consider the growing significance of Australia's direct region in policy making, ultimately finding that the pursuit of a new policy direction was necessary. This article will examine this new assertiveness in policy making within the context of appeasement and rearmament, explicitly in its relation towards the potential regional aggressor Japan.

This paper has been peer reviewed.

The interwar period represents an era of emerging growth and maturity in Australian foreign and defence relations, with a distinct shift from Imperial to regional matters.[1] This shift towards regionalism came largely as a result of increasing doubt in the diplomatic and security assurances Australia received from Britain, emerging during the 1920s and intensifying throughout the 1930s, and the rapidly changing world order in which Australian policy makers were forced to assess their reliance upon the British Empire. However, when surveying the scholarship dealing with this period, Australia's emerging independence in policy making is largely overlooked. Rather, there is a dominant view in which Australia's isolation, small population and limited defence capabilities see it deemed a nation whose power upon the international stage was trivial and whose foreign policy was slow to develop. According to this interpretation, Australian policy makers have been framed as

[1] Australia's direct region encompasses principally those nations within the Pacific and Indian Oceans, spanning from Indonesia in Southeast Asia up to Japan in East Asia. To indicate this region, terms Far East and Pacific will be used interchangeably throughout this paper, for it was the Far East to the British, and called so by Australia despite being the Near North geographically.

lacking any independent policy direction and, moreover, disinterested in such matters. Eric Andrews reinforces this with his argument that Australia, still a young nation, lacked the interest or skills needed to develop and coordinate its own policy measures. This disinterest and inexperience, Andrews suggests, saw the Australian Government adopt 'few policies or ideas of its own', content to keep Australia removed entirely from the decision making process by following those polices outlined by the United Kingdom Government.[2] The ongoing influence of such views can be identified in Christopher Waters' *Australia and Appeasement: Imperial Foreign Policy and the Origins of World War II*, which, written more than three decades after Andrews' work, concludes that, '[d]uring the interwar era Australia did not have its own foreign policy but dealt with the world one step removed through Whitehall.'[3] Such perspectives

[2] E. M. Andrews, *Isolationism and Appeasement in Australia: Reactions to the European Crisis, 1935-1939* (Canberra: Australian National University Press, 1970), 3-6, 25; E. M. Andrews, *A History of Australian Foreign Policy: From Dependence to Independence* (Melbourne: Longman Cheshire Pty. Ltd., 1979), 70; E.M. Andrews, *The Writing on the Wall: The British Commonwealth and Aggression in the East, 1931-1935* (Sydney: Allen and Unwin, 1987), 24-5.

[3] C. Waters, *Australia and Appeasement: Imperial Foreign Policy and the Origins of World War II* (London: I.B. Tauris and Co. Ltd., 2012), 7. Admittedly, Waters recognises Australia's growing contribution to foreign policy, however, this contribution is limited to Empire policy and European events, such as the appeasement of European aggressors. Such an approach tends to prioritise Imperial policy above Australia's own national interests, overlooking key region specific events such as the Gepp Mission and Manchurian Crisis. Such an approach limits Australian foreign and defence policy interests to the Imperial sphere, overlooking the weight that regional concerns played in the nation's policy making. As such it cannot be seem to truly

have seen historians disregard significant events and policy changes throughout the period under study, painting Australia as a timid and naïve nation whose policy makers, rather than take independent action, were committed to Britain and the Empire regardless of the limitations and varying suitability of this framework.

In more recent years there has been a new growth of literature supporting the notion of an emerging independence and regional focus in Australia's interwar policies. Scholars such as David S. Bird, in *J. A. Lyons – the 'Tame Tasmanian': Appeasement and Rearmament in Australia, 1932-39*, and C. Bride and B. Attard's edited collection of essays, *Between Empire and Nation: Australia's External Relations from Federation until the Second World War*, provide a varied and critical analysis of Australian foreign and defence policy, recognising the emergence of a more independent policy and the complexity of balancing both Empire and regional interests.[4] This paper will support such interpretations, seeking to challenge the dominant historical view and highlight Australia's

support the notion of an independent Australian policy approach. See *Australia and Appeasement*, particularly Chapters 3, 4 and 6.

[4] See David S. Bird, *J. A. Lyons – the 'Tame Tasmanian': Appeasement and Rearmament in Australia, 1932-39* (North Melbourne: Australia Scholarly Publishing, 2009); eds. C. Bridge, and B. Attard, *Between Empire and Nation: Australia's External Relations from Federation until the Second World War* (Kew: Australian Scholarly Publishing, 2000). See also, J. B. O'Brien, "Empire v. National Interests in Australian-British Relations during the 1930s." *Historical Studies* 22(89) (1987): 569-86; A. T. Ross, *Armed and Ready: The Industrial Development and Defence of Australia, 1900-1945* (Wahroonga: Turton and Armstrong, 1995).

shift to greater assertiveness and regionalism during this era. This article will do so through an examination of the two defining and interrelated policies of the interwar period, appeasement and rearmament, and the manner in which Australia's new assertiveness and region specific policy was imbued within them.[5]

Australia's growing independence in policy making during the interwar period is illustrated most explicitly in its relations with Japan, as the nation's policy makers sought to stabilise and strengthen relations with their ever uncertain neighbour. This diplomatic assertiveness came in direct response to fears for Britain's waning power and absence of foreign policy planning for the Pacific. The first distinct indicator of such came at the Washington Naval Conference of 1921/22, at which Britain agreed to the Five Power Treaty, comprising of Britain, France, the US, Japan, and Italy. This was specifically a naval treaty which saw agreements made on disarmament, heavy limitations placed upon the tonnage of new capital ships and the consequential need to scrap approximately 40 per cent of previously existing ships to meet the treaty restrictions.[6] This ratio, John McCarthy notes, was in Japan's favour in terms of areas of concern, with Britain having interests in the Pacific,

[5] Appeasement being the idea that potentially aggressive nations can be pacified through diplomatic actions.

[6] T.B. Millar, *Australia in Peace and War: External Relations Since 1788* (Botany: Australian National University Press, 1991), 97; J. McCarthy, *Australia and Imperial Defence 1918-39: A Study in Air and Sea Power* (St. Lucia: University of Queensland, 1976), 11.

Atlantic and Indian Oceans, whilst Japan's sole region of concern was the Pacific.[7] Additionally, the Washington Conference saw the Anglo-Japanese Alliance end in preference of a Four Power Pact – comprised of Japan, the United States, Britain and France.[8] These agreements were based upon the ten year rule, whereby it was assumed that the peace established at Versailles in 1919 would ensure that no major international conflict would eventuate within the next ten years.[9] However, this assumption was not one that Australia necessarily shared.[10]

For Australia, who had long harboured fears that Japan would pursue an expansionist policy within the Pacific, the agreements made at Washington were detrimental, primarily because Japan and Australia no longer shared an ally in Britain, leaving no diplomatic advantage against possible Japanese expansion or aggression.[11] Moreover, following the end of the First World War, Japan had emerged as the third largest naval power in the world, and Australian and Japanese territorial interests were brought closer with the redistribution of forfeited German colonies seeing Australia gain mandate over New Guinea, and Japan granted the Shandong and Jiaozhou Bay

[7] McCarthy, *Australia and Imperial Defence*, 11.
[8] McCarthy, *Australia and Imperial Defence*, 11.
[9] P. Kennedy, *The Rise and Fall of British Naval Mastery* (London: Fontana, 1991), 328; C. K. Webster and N. Frankland, *The Strategic Air Offensive Against Germany 1939-45, Vol. IV* (London: H.M.S.O., 1961), 84.
[10] Kennedy, *Rise and Fall*, 328; C. K. Webster and N. Frankland, *The Strategic Air Offensive Against Germany 1939-45,* Vol. 4 (London: H.M.S.O., 1961), 84.
[11] C. Bell, *Dependent Ally: A Study in Australian Foreign Policy* (Melbourne: Oxford University Press, 1988), 10.

territories. If Japan were to adopt a policy of regional expansion, Australia saw itself as a likely target.[12] Accordingly, Australia was simply not willing to trust the assumptions of a sedated Japan.[13] In light of this, the Washington Conference brought with it a changing world order, one in which Empire power was being redefined, and so too Australia's previously secure and relatively uncompromised world view.[14]

Australia's growing doubt in British foreign and defence planning was evident as key Australian figures began to realistically evaluate the Four Power Pact. For instance, Prime Minister William Hughes concluded that the Four Power Pact provided merely a loose security agreement which was not backed by force and, therefore, unable to guarantee against an attack.[15] It appeared that Britain's commitment to and strategic planning for Australia's immediate region was inadequate. As such, the nation would need to pursue a policy that secured its national interests.

Initially little was done in attempts to pursue such policy, however, 1931 would change this.[16] In September 1931, the

[12] McCarthy, *Australia and Imperial Defence*, 7-8; M. Tate and F. Foy, "More Light on the Abrogation of the Anglo-Japanese Alliance," *Political Science Quarterly* 74(4) 1959: 535-6.
[13] McCarthy, *Australia and Imperial Defence*, 8.
[14] C. Bridge and B. Attard, "Introduction," in *Between Empire and Nation*, 1.
[15] Penang Conference Report, March 1921. TNA: ADM 11-3165.
[16] This lack of action by Australia throughout the 1920s can in part be attributed to the ongoing process of recovery following the First World War and the advent of the Great Depression.

Japanese military invaded the Chinese province of Manchuria, eventually establishing the puppet state of Manchukuo.[17] Through the Manchurian Crisis, it became apparent that Japan was an aggressive, expansionist power with the potential to disrupt the regional order, and the need for Australia to establish its own region-specific foreign policy became irrefutable. It was to be a policy of appeasement, seeking to conciliate Japan and encourage regional stability.

Having violated the League of Nations covenant, Japan faced sanctions, primarily economic, as a means of discouraging any further aggressive behaviour.[18] Australia rejected such sanctions on the grounds of trade and regional stability. At this point, the world was at the height of the Great Depression and Japanese trade was crucial for Australia's economic survival with Japan taking almost one quarter of Australian wool in 1931/32. Australia had no wish to see sanctions imposed that would threaten this trade relationship.[19] Moreover, Australia feared that such actions by the League would antagonise Japan, further threatening the security of the Pacific region if Japan were to react aggressively.[20] Australia, unwilling to support the course of the League, lobbied in London to avoid sanctions, and in turn sought to ensure British policy mirrored its regional

[17] Andrews, *The Writing on the Wall*, 37; Millar, *Peace and War*, 55.
[18] E.M. Andrews, "The Australian Government and the Manchurian Crisis, 1931-34," *Australian Outlook*, 35(3) (1981):307-8.
[19] Andrews, "The Manchurian Crisis," 310; Bird, *Tame Tasmanian*, 40; Andrews, *The Writing on the Wall*, 37-8, 77.
[20] Bird, *Tame Tasmanian*, 40.

interests.[21] This position is reflected in the comments of Attorney General, John Latham, to Australian High Commissioner in London, Stanley Bruce:

> We agree that economic sanctions should not be applied or even considered by the Commonwealth Government…We are anxious not to adopt at any stage any attitude which might commit us to any participation in military etc. action on account of a quarrel between China and Japan in respect to Manchuria. *This should be the guiding principle.*[22]

Australia was able to resist sanctions, with Britain also wishing to avoid sanctions and any potential for further 'difficulties' with Japan.[23] Australia, however, was unable to convince Britain to adopt its diplomatic agenda, Britain having committed to the League policy of non-recognition of Manchukuo, a policy the Australian Government would never adopt.[24] With non-recognition abolishing any hope of stabilising Anglo-Japanese relations and Australia's regional position, Australian policy makers were driven to seek a more active role in policy making and a more concerted attempt at regional appeasement, embodied in the 1934 Australian Eastern Mission visit to Japan.

[21] Bird, *Tame Tasmanian*, 37.
[22] Australian Eastern Mission, 3 July 1934. NAA: A981, Far 5 Part 17 (emphasis added).
[23] Andrews, *The Writing on the Wall*, 75.
[24] Bird, *Tame Tasmanian*, 37.

The Mission, led by Latham, now Minister for External Affairs, was the first of its kind for Australia and was integral in the nation's reassessment of regional interests and diplomatic approaches to security in its positon within the Pacific.[25] Latham visited a number of countries in the region. Japan, however, was the primary interest of the mission, as Ruth Megaw suggests '[t]he rest of the Mission was peripheral to what was to take place there.'[26] Latham stressed Australia's geographical closeness to the Pacific and need for greater diplomacy there:

> [I]t is important to endeavour to develop and improve our relations with our near neighbours, whose fortunes are so important to us, not only in economic matters, but also in relation to vital issues of peace and war…If war takes place there on a major scale, it is bound to affect Australia profoundly, whether or not the Commonwealth is actually engaged in that conflict. The whole of our interests, therefore, lie in doing everything in our power to prevent the risk of war in the East from becoming a pulsing reality.[27]

The Mission was executed at a strategically important time when Japan, due to the Manchurian Crisis, was isolated within the international community and seeking friendship, particularly

[25] I. Nish "Relations with Japan," in *Between Empire and Nation,* 132; R. Megaw, "The Australian Goodwill Mission to the Far East in 1934: Its Significance in the Evolution of Australian Foreign Policy," *Journal of the Royal Australian Historical Society* 59(4) (1973):249-50.
[26] Millar, *Peace and War,* 38-9; Megaw, "Australian Goodwill Mission," 250.
[27] Australian Eastern Mission, Confidential Report on trade between Australia and Japan, 1934. NAA: A981, Far 5 Part 16.

within its direct region.[28] Accordingly, Latham used the Mission, particularly a meeting with Japanese Minister for Foreign Affairs, Kōki Hirota, as an opportunity to determine the future of Manchuria and convince Japan to re-join the League of Nations, Japan having announced its decision to leave by 1935.[29] It was urgent that Australia keep Japan within the folds of the League and the international peace it sought to maintain, for it was the only means available to constrain nations and hopefully maintain regional and global stability. The emphasis that Australian policy makers placed upon the Mission is evident in Latham's secret report. Unlike the public report, this report provides a deeper examination of regional concerns and highlights Australia's rigid commitment to appeasing Japan, going so far as to openly reject the League and by association British policy towards Manchuria:

It appears to me that the policy of non-recognition of Manchukuo is going to meet increasingly greater difficulties as time passes. So far as one can judge there is not the slightest probability that Manchukuo will cease to exist… [C]onsiderations should be given to the possibility of discovering some formula which would enable Japan and the League to "save face" and get rid of themselves what threatens to be a permanent source of poison in relations between Japan and other counties. It is improbable that any conceivable

[28] Nish, "Relations with Japan," 132.
[29] Bird, *Tame Tasmanian,* 25-6, 61; Megaw, "Australian Goodwill Mission," 250.

formula would satisfy any of the Chinese factors, *but that could not be helped.*[30]

Despite the vagueness of this alleged 'formula', Latham's emphasis on pursuing a policy of appeasement towards Japan, despite contradicting both the League and Britain, is evident. Subsequently, Australia's emerging assertiveness in foreign policy is irrefutable.

Historically the diplomatic significance of the Australian Eastern Mission has been recognised. However, it has been overshadowed by its apparent ineffectiveness in the broader policy aims of appeasement. For instance Megaw, whose 1973 article is widely accepted as the conclusive evaluation of the Mission, argues that while 'splendidly successful' and 'innovatory' in terms of greater initiative in Australian foreign policy, the immediate and long-term significance of the Mission are 'harder to assess.'[31] Such a conclusion is based upon the failure to convince Japan to remain within the League and Australia's apparent reluctance to make any definite commitments during the Mission.[32] This is not necessarily so. The Mission was integral in strengthening Australian-Japanese trade relations, and in turn, encouraging goodwill between the two nations.

[30] Australian Eastern Mission, 3 July 1934. NAA: A981, Far 5 Part 17 (Emphasis added).
[31] Megaw, "Australian Goodwill Mission," 254, 259.
[32] Megaw, "Australian Goodwill Mission," 257-9.

In his report on the Mission, Latham emphasised the potential trade market in Japan and the role it could play in fostering goodwill between the two nations. By 1934 Japan was Australia's number two trade partner, second only to Britain, and Australia was ranked eighth for Japan. In the year 1932/33 Japan purchased over £11.5 million in goods from Australia, whilst Australia purchased some £3.5 million in return. This, Latham pointed out, was a ratio of almost 3.5:1. Although a very favourable trade balance for Australia, he encouraged Australia to sell to and buy more from Japan to ensure this favourable trade relationship remained sustainable.[33] One means of enhancing this pre-existing trade relationship was through the implementation of the 1933 Trade Commissioner Act in Japan. Aside from providing stronger trade relations with Japan, a Trade Commissioner would play an inherently diplomatic role as a representative of Australian goodwill.[34] Accordingly, in 1935 Longfield Lloyd was appointed as the first Trade Commissioner in Tokyo, ensuring a means of constant contact with Japan and the continued representation of Australian diplomacy.[35]

The Mission also saw Japan carry out a reciprocal goodwill mission to Australia in 1935, at which Latham publicly stated,

[33] The Australian Eastern Mission, 1934: Report of Latham. NAA: A981, Far 5 Part 16.
[34] The Australian Eastern Mission, 1934: Report of Latham. NAA: A981, Far 5 Part 16.
[35] Bird, *Tame Tasmanian*, 25-6; Megaw, "Australian Goodwill Mission," 254-5.

> [I]t was all the more important that Australians should look individually towards the establishment of friendly relations with the nations in which they were most interested. *We cannot leave all our relations with other countries…Australia and Japan hold largely in their hands the destiny of the Pacific.*[36]

As Ian Nish suggests, this statement implies criticism of British policies towards Japan whilst also highlighting Australia's commitment to an independent regional foreign policy.[37] These events, although not ground-breaking in terms of diplomatic relations, highlight Australia's concerted bid to encourage goodwill in Australian-Japanese relations, and in turn preserve regional security through conciliating a potentially aggressive regional power. Ultimately, Australian policy makers were seeking to establish relations that would ensure Australia's regional security when Britain could not.

Aside from the growing assertiveness in Australian foreign policy during the interwar period, defence planning during this period also adopted a more independent approach. Similar to the diplomatic policies Australia carried out, the nation's defence policies also emerged in direct response to ongoing concerns surrounding Imperial overstretching and an inadequate commitment to strategic planning for the Pacific.

Throughout the 1920s, the Singapore Naval Base had been the primary Imperial strategy for defence in the Pacific, and the

[36] *The Times*, September, 1935, 10.
[37] Nish, "Relations with Japan," 133.

cornerstone for Australia's own defence planning.[38] The so-called Singapore Strategy planned for the main British fleet to be situated at Singapore, blocking Japan's access to Australia's eastern coastline, as well as protecting the lines of communication between Singapore and Britain via the Suez Canal.[39] In theory, this would allow two zones of conflict to be addressed: Europe and the Far East.[40] However, the plans for the base were vague, as was Britain's commitment. As early as 1921 key figures in Australian political circles began to question the logistics of the Singapore Strategy. These included Rear Admiral Sir Percy Grant, Commander-in-Chief for the Australia Station and Advisor on Defence to the Prime Minister, who pointed out the weaknesses of Singapore, noting the vulnerability of its long lines of communication.[41] In 1923, Bruce, then Prime Minister, expressed his concerns: 'I'm not quite as clear as I should like to be as to how the protection of Singapore is to be done.'[42]

[38] McCarthy, *Australia and Imperial Defence*, 44.
[39] McCarthy, *Australia and Imperial Defence*, 44-5.
[40] McCarthy, *Australia and Imperial Defence*, 9, 40; The necessity to prepare for a two zone conflict became increasingly apparent throughout the early 1930s, as the increasing influence of the Nazi regime in Germany, and the fascist governments in Spain and Italy, all but confirmed the likelihood of a European war. Similarly, Japan's increasing aggression, most notably Japan's July 1937 invasion of China proper, which signalled the start of the Second Sino-Japanese War, Japan's policy of regional expansion and established the Pacific as a theatre of war.
[41] Penang Conference Report, March 1921. TNA: ADM, 116/3100.
[42] Waters, Australia and Appeasement, 246; McCarthy, *Australia and Imperial Defence*, 47.

This vagueness in policy planning was in part due to the ten year rule and Britain's confidence in the League. However, it was also due largely to Britain's experience of Imperial overstretching and waning defensive capabilities. In the aftermath of the First World War, Whitehall was facing immense national debt due to wartime borrowing.[43] Moreover, British society, and the world as a whole, still recovering from the economic, psychological and physical trauma of the war, largely rejected the prospect of any future conflict. Thus, in seeking to balance the government's debt and satisfy British public opinion, Britain's defence industries were the clear choice for economic reform.[44] This saw the widespread cancellation of construction contracts and funds assigned to the Royal Navy dropped from £356 million in 1918/19, to £52 million by 1923.[45] The global economic slump that was the Great Depression placed further pressure upon the British Government, with greater calls for social services to combat raging unemployment levels.[46] Thus, not only was Britain uninterested in carrying out defence planning, but simply incapable of doing so.

Contributing further to Australia's doubt in Britain's defence planning was the apparent fragmentation of the Empire throughout the 1920s. Firstly, there was the 1922 Chanak Crisis that saw Turkish troops violate the peace agreement in Turkey,

[43] Kennedy, *Rise and Fall*, 319.
[44] Kennedy, *Rise and Fall*, 320-1.
[45] Kennedy, *Rise and Fall*, 323.
[46] McCarthy, *Australia and Imperial Defence*, 50; Kennedy, *Rise and Fall*, 321.

attacking and defeating Greek forces in Izmir and storming Constantinople. This very nearly brought Australia to war when Britain declared the Empire's support for Greece and its commitment of armed forces.[47] In 1925 the Locarno Treaties, which dealt with the division of borders and territories in Europe, came to dominate British policymaking. It appeared to Australian policy makers that British interests, and in turn the interests of its Empire, lay in Europe and decidedly outside Australia's region.[48] In 1926 came the Balfour Declaration. The declaration recognised the growing independence of the Dominions and the subsequent need to provide them with greater autonomy, giving them equality of status with Britain in terms of Empire relations.[49] Far from dispelling Australian fears, the Balfour Declaration generated further anxiety and uncertainty. Given that the Empire was essential to Australia for international representation and security, there emerged concerns that the evolution of the roles of the Empire and Dominions would lead to a fracturing of the Empire and a loss of the common objectives that bound its members, leaving

[47] N. Meany, *Australia and World Crisis, 1914-1923: Vol. 2, A History of Australian Defence and Foreign Policy, 1901-1923* (Sydney: Sydney University Press, 2000), 508-9.
[48] Bird, *Tame* Tasmanian, 6; R. Eccles, "Australian Perspectives and the Balfour Declaration of 1926," in *Dependency? Essays in the History of Australian Defence and Foreign Policy*, ed. J. McCarthy (Canberra: University College, University of New South Wales, Australian Defence Force Academy, 1989), 23, 25-6.
[49] Bird, *Tame Tasmania*, 6-7; Eccles, "Australian Perspectives," 23.

Australia without concerted policy objectives or the certainty of armed support from Britain and its Empire.[50]

Despite this growing doubt in Britain's commitments to the Pacific and its weakening defence capabilities, combined with the uncertain role of the Empire, Australia, suffering a similar fate to Britain in the depression, had little choice but to trust, although apprehensively, the assurances offered in the Singapore Strategy. The Manchurian Crisis would change this, revealing to Australian policy makers the weakness of the League of Nations as a structure for maintaining and negotiating international peace and Britain's limited understanding of the fragility of the Far East. Andrews suggests, 1931 signified the beginning of crisis in the Pacific that would become the Second Sino-Japanese War (1937) and finally the Pacific War (1941).[51] As such, the need emerged for Australia to rearm specifically for its region. Rearmament was thus a companion to appeasement, for through appeasement Australia was able to postpone war and create time in which to prepare for the inevitable conflict.[52]

[50] Eccles, "Australian Perspectives," 30.
[51] P. Kennedy, *The Rise and Fall of Great Powers: Economic Change and Military Conflict from 1500 to 2000* (London: Fontana Press, 1988), 433; Bird, *Tame Tasmanian*, 52; *The Writing on the Wall*, xii; Australian policy makers had voiced their doubt in the suitability of the League of Nations as a structure for international peace, Hughes having criticised it as weak from its very conception at the Versailles Peace Conference – 1931 was merely a confirmation of these fears; Andrews.
[52] Bird, *Tame Tasmanian*, 31, 52-3.

By 1933 Australia was finally regaining some economic stability, that year marking the first post-Depression budget surplus.[53] This increasing economic stability meant that Australia could begin to address concerns surrounding regional defence planning. In September, Minister for Defence, George Pearce, announced the formation of a Trust Account specifically for defence spending, to which the bulk of the budget surplus was to be allocated, allowing an estimated increase of defence spending by one third.[54] The weight that Australia's region-specific concerns had in early rearmament measures is evident in the focus placed upon defending the nation's immense and vulnerable coastlines.[55] The Royal Australian Air Force became increasingly significant in the preparation for light raids, with Japan clearly in mind.[56]

Australia also sought to assess the state of Imperial defence, in February 1934 inviting the Secretary to the Committee of Imperial Defence, Maurice Hankey to visit and report on both Australia and Imperial defence measures.[57] However, in the time between Hankey's invitation and his arrival in October 1934, two key events further heightened Australia's apprehension over Britain's defence commitment to the Pacific. Firstly, the Australian Eastern Mission visited

[53] Bird, *Tame Tasmanian,* 56.
[54] Ross, *Armed and Ready,* 111.
[55] A. May, "Fortress Australia," in *Between Empire and Nation,* 169.
[56] Bird, *Tame Tasmanian,* 56-9.
[57] Report by Sir Maurice Hankey, GCB, GCMG, GCVO Secretary, Committee of Imperial Defence, 15 November 1934. NAA: A5954, 1084/1; McCarthy, *Australia and Imperial Defence,* 55-6.

Singapore, where Australia's fears were confirmed with Latham labelling the base 'chaotic' and 'without concentration'.[58] Secondly, the British Government downgraded the Pacific in terms of strategic priorities, seeing naval expenditure for the region decrease by some £26 million pounds in the following three years. The decision was also made to demote Singapore to a mere light naval craft base.[59] Accordingly, an Australian Government who openly questioned Britain's policy commitments for the Pacific region greeted Hankey. Hankey sought to placate these fears.[60] Hankey was highly critical of Australia's invasion fears and preparation for such, deeming them 'extreme' conclusions.[61] Rather, his report advocated the Blue Water Naval principal, considering the British Royal Navy supreme and 'the shield of the whole Empire.'[62] He also continually emphasised the significance of Singapore in attempts to dispel any fears surrounding security in the Pacific. Overall, Hankey's report stressed the importance of symmetry between British and

[58]Australian Eastern Mission, 3 July 1934. NAA: A981, Far 5 Part 17.
[59] K. Neilson, "The Defence Requirements Sub-Committee, British Strategic Foreign Policy, Neville Chamberlain and the Path to Appeasement," *The English Historical Review* 118(477) (2003): 666; Bird, *Tame Tasmanian*,89.
[60] Bird, *Tame Tasmanian,* 89.
[61] Report by Sir Maurice Hankey, GCB, GCMG, GCVO Secretary, Committee of Imperial Defence, 15 November 1934. NAA: A5954, 1084/1.
[62] Report by Sir Maurice Hankey, GCB, GCMG, GCVO Secretary, Committee of Imperial Defence, 15 November 1934. NAA: A5954, 1084/1; A Blue Water Navy is one that is capable of maintaining an oceangoing fleet in open 'blue' waters, generally outside a nation's own ports.

Australian defence strategies, encouraging Australia to support the Imperial framework with a strong naval force.[63]

The reception of Hankey's report was mixed, with the Australian Royal Navy unsurprisingly embracing it, whilst others rejected it outright.[64] Commandant of the Royal Military College, Lieutenant General Sir John Lavarack, criticised Hankey's conclusions and British defensive deficiencies, stating, 'Hankey's views are out of date, since they do not sufficiently take into account the decline of the British sea power which has taken place since the war.'[65]

In December 1935, the Joseph Lyons Government announced a new 1935-1937 defence development program, largely in reaction to events of 1934 and Hankey's report. The program was essentially a compromise. It reflected Hankey's emphasis upon sea power, with Australia continuing to contribute to the Royal Navy. However, it also saw Australia's regional needs addressed with the RAAF receiving a new airport depot, four permanent squadrons and a number of new aircrafts. This allocation of new funds was vital as in 1934 the RAAF had consisted of only sixty-eight crafts, most of which were obsolete or mere trainers.[66] The Australian armed forces received a noted increase in expenditure, almost doubling between the years

[63]Report by Sir Maurice Hankey, GCB, GCMG, GCVO Secretary, Committee of Imperial Defence, 15 November 1934. NAA: A5954, 1084/1.
[64] McCarthy, *Australia and Imperial Defence*, *58-9.*
[65] Minutes of Defence Committee minute, 21 March1935. NAA: A2031, 19/1935-21/1935.
[66] McCarthy, *Australia and Imperial Defence*, 44.

1934/35 and 1935/36, funds allocated to expanding and modernising coastal fortifications.[67] Such actions on behalf of the Australian Government reflect the emergence of a more assertive, region centred approach to defence policy making.

The year 1937 was pivotal in the development of Australian defence policy, with the events of this year highlighting to the nation's policy makers the necessity of establishing a more intensive approach to defence that would ensure Australia's national interests were secure. The first key indicator came at the 1937 Imperial Conference. Driven by ongoing doubt in Britain's defence commitments for the Far East, the Australian delegation had arrived at the Conference with a list of defence questions for Britain, hoping to clarify exactly what support could be expected from Britain in the event of war.[68] This direct approach evidences Australia's growing assertiveness in its relations with Britain. Moreover, it shows foresight as the nation's policy makers, aware of Britain's declining defence capabilities, sought to assess Imperial defence policy. This insight could be used to plan Australian policy accordingly.[69] Britain's responses to Australia's questions were discouraging. For instance, one issue which concerned Australia was the prospect of a two ocean conflict in which Britain would face both a European and a Pacific enemy. The Australian delegation asked for Britain's strategic objectives in such a

[67] Bird, *Tame Tasmanian,* 171-2.
[68] Memorandum prepared for Delegation to Imperial Conference, n.d. on or before 6 March 1937. NAA: A2938, 12.
[69] Bird, *Tame Tasmanian,* 193.

context. Britain responded that, '[o]nce war with Japan has broken out, our policy must be governed by the consideration that, *until the issue with Germany has been settled, we cannot count on being able to support anything more than a defensive policy in the Far East.*'[70] Contributing further to Australia's apprehension was the revelation that the passage of time for the Royal Fleet to arrive at Singapore had been increased from sixty to seventy days.[71] Throughout the 1930s, particularly following 1936 when Nazi Germany began open rearmament, the majority of Britain's attention had been upon the increasing volatility of the situation in Europe and how to respond to the enemies within its direct region. As such, in the case of a two ocean war, Europe was the priority as was made clear by Britain: 'a very considerable period may elapse before the progress of our operations against Germany and the redistribution of our forces permit of a fleet arriving in the Far East.'[72] This statement was an early indicter of what would later become the "Beat Hitler First" policy, and it left Australia to face an uncertain future in the Pacific.

There was further cause for Australian apprehension during the events of the Conference. Lyons had arrived with a plan for regional-centred diplomacy and security, the Pacific

[70] Questions Raised by the Australian Delegation. Report, 9 June 1937. NAA: A5954, 1064/3 (Emphasis added).
[71] Kennedy, *Rise and Fall*, 330; Questions Raised by the Australian Delegation. Report, 9 June 1937. NAA: A5954, 1064/3; By September 1939 the passage was increased to 180 days.
[72] Questions Raised by the Australian Delegation. Report, 9 June 1937. NAA: A5954, 1064/3.

Pact. The Pact was based upon a broad vision of regional understanding and non-aggression. This idea of non-aggression, in theory, provided an assurance of peace and mutual understanding between the signatory nations.[73] Moreover, it sought to include the United States, suggesting that Lyons' hoped to secure US interest in the Pacific and a potential ally in the event of Japanese aggression. However, the proposed Pacific Pact was a failure. Australia faced middling enthusiasm from the conference attendees and tension between Japan, Britain, and the US made it difficult to get key nations onside. The proposal was handed over to Britain to consider and, ultimately, laid aside, leaving policy makers to agonise over Australia's future in the region.[74]

The 1937 Imperial Conference had revealed the grim reality that Britain could no longer protect its Empire. Adding to Australia's sense of insecurity was the rising threat of war in its direct region, which was confirmed on 7 July 1937 when Japanese troops invaded China proper. This signalled the start of the Second Sino-Japanese War and Japan's policy of regional expansion.[75] The risk for Australia was that Japan would now drive south, ever closer to its territory at a time when Britain was preoccupied in Europe and unable to offer aid.

Australia's response to the events of 1937 was to intensify rearmament measures in preparation for a conflict in its direct

[73] Nish, "Relations With Japan," 35.
[74] Bird, *Tame Tasmanian*, 182.
[75] Andrews, *A History*, 78; Millar, *Peace and War*, 101.

region. In August 1937, shortly after his return from the Conference, the Lyons Government announced a new rearmament program, one that saw a dramatic increase in defence expenditure, leading to deficit spending on defence for the first time since the First World War, with overall commitments for the next three years exceeding £16 million pounds.[76] The program had an explicit focus upon local defence, with the purchase of three harbour defence vessels and a naval base being developed in Darwin as an auxiliary base to Singapore.[77] The RAAF, who, as previously mentioned had come to hold increasing importance in the protection of Australia's coastlines, received the bulk of the expenditure and began a program of infrastructure development, with bases and stations being established all over Australia, whilst the army was to receive funding to equip a private military firm garrison in Darwin.[78] The hope was that Australia could ensure greater self-sufficiency and defend home territories in the event of an attack. Thus, in light of the revelations of the 1937 Imperial Conference, and Japan's increasing aggression within the Pacific, Australia actively pursued an independent defence policy, one that explicitly reflected its regional concerns.[79]

[76] Defence Committee Minutes 1032/5. Capital Costs of the Three Year Program, 28 April 1938. NAA: A2031, 1032/5; Bird, *'Tame Tasmanian,'* 203.
[77] May, "Fortress Australia," 174-5; Bird, *Tame Tasmanian,* 202.
[78] May, "Fortress Australia," 174-5, 177; Ross, *Armed and Ready:* 113; Initial estimates for the RAAF were almost £8 million. See Defence Committee minute 1032/5. NAA: A2031, 1032/5.
[79] Further evidence of this can be identified in Australia's decision to appoint embassies in both Tokyo and Washington, rather than continue being represented through Britain. This step allowed Australia to diversify its relations,

Ultimately, as McCarthy argues, this was the point at which Australia had to break away from a policy of dependence and seek self-reliance as Britain, although still a most valued ally could no longer be a protector.[80]

Australia's defence and foreign policy throughout the interwar period inarguably reflects a shift towards greater independence and regional awareness, a shift made necessary by problems of Empire, as Australian policy makers, recognising Britain's ongoing ill preparedness and diverging regional interests, looked to themselves for salvation. Ultimately, this shows foresight on behalf of Australian policy makers as they recognised an impending war and sought to balance region specific appeasement and defensive policy in a bid to placate Japan and prepare the nation for war.

The arguments and evidence put forward by this article show that the period under study represents a fundamental point in the development of Australia's early foreign and defence policy. This period represents the emergence of a thoughtful and proactive nation deeply invested in the outcomes of international affairs, rather than, as the traditional views would have us believe, one disinterested in such affairs.

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establishing its own diplomatic ties which spoke directly to its needs and regional concerns.

[80] McCarthy, *Australia and Imperial Defence*, 62.

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